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## **EUROPEAN SOCIAL CHARTER**

Ad hoc report on the cost-of-living crisis

submitted by

**THE GOVERNMENT OF THE NETHERLANDS**

Report registered by the Secretariat

on 21 December 2023

**CYCLE 2023**

# 2023 Ad hoc Report on the European Social Charter of the Government of the Netherlands

In reference to the decision of the Ministers' Deputies adopted on 27 September 2022 concerning the new system for the presentation of reports under the European Social Charter and in accordance with the request of the European Committee of Social Rights and the Governmental Committee for an ad hoc report on the cost-of-living crisis.

Copies of this report have been sent to the:

- Netherlands Trade Union Confederation (FNV)
- National Federation of Christian Trade Unions in the Netherlands (CNV)
- Confederation of Netherlands Industry and Employers (VNO-NCW) and the Royal Association MKB Nederland

*1) Please provide information as to whether and how the statutory minimum wage is regularly adjusted/indexed to the cost of living. Please indicate when this last happened, specifically whether it has been adjusted /indexed since the end of 2021.*

The amount of the minimum wage is laid down in section 14 of the Minimum Wage and Minimum Holiday Allowance Act (*Wet minimumloon en minimum vakantiebijslag*) and is adjusted twice a year (on 1 January and 1 July) in line with the average increase in wages in collective bargaining agreements. Since the end of 2021, the minimum wage has therefore been indexed four times. The increase in line with regular indexation was 1.41% in January 2022, 1.81% in July 2022, 2.10% in January 2023 and 3.13% in July 2023. In January 2024 the minimum wage will be re-indexed, this time by 3.75%.

## Caribbean Netherlands

The minimum wage in the Caribbean Netherlands is indexed annually (on 1 January). The most important factor in the annual review of the amounts is the percentage increase in the consumer price index (CPI) from the third quarter of the previous year to the third quarter of the current

year. Since 2019, in consultation with the social partners, the policy has been to raise the statutory minimum wage over and above the adjustment for inflation, with the aim of working towards a minimum income standard in the Caribbean Netherlands. The table below shows how the statutory minimum wage per month changed between 2021 and 2023.

	January 2021	January 2022	January 2023	<b>Diff- erence</b>	<b>Relative difference</b>
Minimum wage in:					
<b>Bonaire</b>	\$951	\$1,046	\$1,236	<b>+\$285</b>	<b>+30%</b>
<b>St Eustatius</b>	\$1,150	\$1,265	\$1,446	<b>+\$296</b>	<b>+26%</b>
<b>Saba</b>	\$1,133	\$1,246	\$1,434	<b>+\$301</b>	<b>+27%</b>

- 2) *Please provide information on any supplementary measures taken to preserve the purchasing power of the minimum wage since the end of 2021*

In response to the cost-of-living crisis, the statutory minimum wage was increased by an additional 8.05% on 1 January 2023. Taking into account the regular indexation on this date, the minimum wage actually increased by 10.15%.<sup>1</sup>

The broader purchasing power measures and the support measures to help with energy bills, which are described in more detail in questions 4, 5, 6 and 7, have helped to preserve the purchasing power of minimum-wage earners.

#### Caribbean Netherlands

The following measures have been taken in the Caribbean Netherlands:

1. The statutory minimum wage and benefits have been increased annually over and above the inflation adjustment. Over the period 2022-2023, social assistance for a single person has been raised by about \$470 to \$550 (depending on the island), old age

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<sup>1</sup> besluit-tot-wijziging-van-het-wettelijk-minimumloon-met-ingang-van-1-januari-2023.pdf (overheid.nl) (in Dutch)

pension by about \$230 to \$360, and the minimum wage by about \$300. Child benefit has been increased by some \$40 per child per month.

2. Measures being prepared include an unemployment scheme, a leave scheme for employees accompanying a family member sent off-island for medical treatment and an allowance for parents of children requiring intensive treatment (double child benefit for intensive treatment).
3. The energy allowance of €1,300 for low-income households in the Netherlands in Europe has also been applied in the Caribbean part of the Netherlands, where greater poverty means that the target group for which the allowance is intended (people living on up to 130% of the minimum income standard) is larger. Because of the additional purchasing power measures taken, this allowance is being extended and will also apply in 2023 and 2024.
4. The personal tax allowance was set at \$17,352 as of 1 January 2023, up from \$12,198 in 2022 (an increase of \$5,154).
5. The Bonaire food bank is receiving additional resources in 2023 to meet increased demand.

Efforts on the cost front:

6. The temporary subsidy on fixed-line internet connections (\$25 per connection per month for Bonaire and \$35 per connection per month for St Eustatius and Saba) has been made permanent. It will be similar in form to the current subsidy.
7. The subsidies to reduce drinking water charges have been set (and capped) on a structural – rather than on a temporary – basis). The islands also receive one-off subsidies for investments in their water supply (which are otherwise passed on to the islanders).
8. In the Caribbean Netherlands, steps are being taken in 2023 to make energy more affordable. Central government has agreed two measures with the island authorities and electricity companies. Standing charges on energy bills are to be reduced to zero in 2023, which will also help households with low consumption (including households living in energy poverty). This equates to an annual saving of approximately \$390 per household. For end users, the government will cover 50% of the variable rate in 2023 if it exceeds \$0.38 per kWh. This will continue to provide a strong incentive for electricity companies and end users to reduce costs and consumption. These measures also apply to SMEs in the Caribbean Netherlands and are worth a total of €15 million.

9. Funds will be made available for housing and will be used to expedite the construction of 204 social housing units on Bonaire by about two years and renovate a first group of 20 homes on St Eustatius.
10. In 2023 the parental contribution to childcare costs is being reduced, by \$25 per month in the case of full childcare for 0-4 year olds, and by \$10 per month for after-school care services (4-12 year olds).
11. In response to sharply rising fuel and energy prices, the Ministry of Finance also temporarily lowered the excise duty on petrol by USD 0.16 in the Caribbean Netherlands. This applied on all three islands from 1 April 2022 until 1 July 2023.

Investments in the labour market:

12. Public employment services are being stepped up, for example by setting aside a budget for training and development programmes and also reskilling and upskilling programmes.
13. Temporary funding is being made available for tools to help people with poor employment prospects find jobs.
14. The relationship between education and the labour market is being strengthened, for instance by introducing an internship fund for secondary vocational (MBO) students undertaking an internship elsewhere in the Kingdom (in the European part of the Netherlands or on one of the other islands) and by coordinating training courses in the tourism sector, centred on the Curaçao hospitality training centre.

To improve the purchasing power of people living in the Caribbean Netherlands and combat poverty, central government will take the following measures with effect from 1 January 2024:

15. Child benefit is to be increased by \$90 to \$220 per child per month. In this way, we will be supporting children and will be closer to achieving our ambition to halve child poverty by 2025.
16. The minimum wage and minimum benefits are to go up. See [here](#) an overview.
17. The government will maintain the energy allowance and the reduced fixed electricity rate from 2023. Drinking water charges and internet connection charges will be further reduced.
18. As in the Netherlands in Europe, the government will also enable breakfast to be provided free at school in 2024.
19. Additional funds will be allocated to promote public transport.

20. The Minister will make €1 million available to support local poverty policy.

- 3) *For States Parties with no statutory minimum wage, please describe any measures taken to preserve the purchasing power of the lowest wages since the end of 2021.*

Not applicable.

- 4) *Please provide information as whether the cost of living crisis has led to the extension of in-work benefits.*

The purchasing power measures taken in response to sharply rising energy prices and the subsequent upsurge in inflation are largely generic in nature and not specifically targeted at workers. They are further discussed in questions 5-7.

To specifically support working people, the government has increased the employed person's tax credit for 2023 (€3 billion), with the result that they pay less income tax. This tax credit will also be increased in 2024 for workers earning around the minimum wage and will be indexed using the table correction factor (almost 10%).<sup>2</sup>

Negotiations about wages and fringe benefits take place between the social partners. The Netherlands Bureau for Economic Policy Analysis (CPB) expects the average increase in wages in collective bargaining agreements to be higher than the inflation rate, both this year and in 2024. Employers and employees could, for example, also opt to partly increase wages by a fixed amount, which in relative terms would mean a larger wage rise for people in lower pay scales.

#### Caribbean Netherlands

The measures taken to protect purchasing power in the face of rising inflation, such as the energy allowance, are also available for workers in the Caribbean Netherlands.

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<sup>2</sup> The table correction factor is a factor by which certain amounts laid down in tax legislation must be recalculated in order to adjust for inflation.

- 5) *Please provide information on changes to social security and social assistance systems since the end of 2021. This should include information on benefits and assistance levels and the allocation of benefits*

The social assistance system is governed by the Participation Act (*Participatiewet*). The Broad Offensive bill was adopted in 2023 and proposes a broad agenda to increase employment opportunities for people with a work-limiting disability, who partly come under the above-mentioned Act. This bill would amend the rules on shared living costs, as set out in the Participation Act, so that members of the household who are under the age of 27 do not count as ‘cost sharers’ for the purpose of calculating social assistance benefit. A summary of the Broad Offensive measures (in Dutch) can be downloaded here: [Broad Offensive fact sheet - July 2023 | Publication | Rijksoverheid.nl](#).

There is also a bill on a more balanced Participation Act, which has not yet been adopted, as it still has to go before parliament. A summary of the proposed measures (in Dutch) can be downloaded here: [Letter to parliament on how things stand as regards a more balanced Participation Act | Parliamentary Paper | Rijksoverheid.nl](#).

In 2023, under agreements with the housing associations, the rents of low-income tenants of properties owned by these associations have been capped at €575 per month for 12 months. Furthermore, in the case of social housing, it has been decided that rents may be raised annually by no more than the average increase in wages in collective bargaining agreements.

The government has taken structural measures for 2023 in addition to temporary measures (see question 7) to support households (totalling approximately €12 billion). The minimum wage and associated benefits were increased by about 10% with effect from 1 January 2023. Housing benefit, the employed person’s tax credit and supplementary child benefit were also increased, while the tax rate in the first income tax bracket was lowered. In 2024 too the government will launch a package of purchasing power measures worth €2 billion to support families and lower middle-income households. This will include raising supplementary child benefit and housing benefit. In addition, a statutory minimum hourly wage will be introduced on 1 January 2024. As a result, a uniform minimum hourly wage will apply to employees in all sectors starting from that date. For those earning the minimum wage and working full-time (more than 36 hours

a week, e.g. 37 or 40 hours), the introduction of the minimum hourly wage will mean a wage increase. This is because the amount of the minimum hourly wage is based on the current minimum monthly wage of someone working full-time for 36 hours a week. As a result of this measure, the gross wage of an employee earning the minimum hourly wage in sectors where a 40-hour working week is the norm will be 11.1% higher than in 2023. In sectors where employees usually work 38 hours a week, the increase in the gross wage of a minimum-wage earner will be 5.6%.

### Caribbean Netherlands

<b>Bonaire (in USD per month)</b>	January 2021	January 2022	July 2022	January 2023	October 2023	January 2024
<b>Statutory minimum wage</b>	\$951	\$1,046	\$1,046	\$1,236	\$1,236	\$1.570
<b>Old age pension</b> single person	\$684	\$752	\$752	\$1,047	\$1,047	\$1.335
<b>Old age pension</b> couple	\$1,368	\$1,504	\$1,504	\$2,094	\$2,094	\$2.670
<b>Social assistance</b> basic amount (resident member of household)	\$379	\$418	\$418	\$468	\$468	\$477
<b>Social assistance</b> single person (one-person household)	\$522	\$576	\$654	\$894	\$1,031	\$1.334
<b>Social assistance</b> couple (joint household)	\$658	\$725	\$890	\$1,236	\$1,236	\$1.570
<b>Surviving dependants’ pension</b> widows/widowers	\$684	\$752	\$752	\$919	\$1,030	\$1.335



<b>Surviving dependants' pension</b> orphans	\$315	\$347	\$347	\$424	\$475	\$616
<b>Child benefit</b>	\$85	\$89	\$99	\$131	\$131	\$225

<b>St Eustatius (in USD per month)</b>	January 2021	January 2022	July 2022	January 2023	October 2023	January 2024
<b>Statutory minimum wage</b>	\$1,150	\$1,265	\$1,265	\$1,446	\$1,446	\$1.554
<b>Old age pension</b> single person	\$827	\$909	\$909	\$1,056	\$1,056	\$1.265
<b>Old age pension</b> couple	\$1,654	\$1,818	\$1,818	\$2,112	\$2,112	\$2.530
<b>Social assistance</b> basic amount (resident member of household)	\$459	\$504	\$504	\$550	\$550	\$550
<b>Social assistance</b> single person (one-person household)	\$632	\$695	\$790	\$1,055	\$1,102	\$1.321
<b>Social assistance</b> couple (joint household)	\$797	\$875	\$1,076	\$1,446	\$1,446	\$1.555
<b>Surviving dependants' pension</b> widows/widowers	\$827	\$909	\$909	\$1,082	\$1,101	\$1.322
<b>Surviving dependants' pension</b> orphans	\$381	\$419	\$419	\$499	\$508	\$610
<b>Child benefit</b>	\$87	\$89	\$99	\$128	\$128	\$216

<b>Saba (in USD per month)</b>	January 2021	January 2022	July 2022	January 2023	October 2023	January 2024
<b>Statutory minimum wage</b>	\$1,133	\$1,246	\$1,246	\$1,434	\$1,434	\$1.653
<b>Old age pension</b> single person	\$815	\$896	\$896	\$1,093	\$1,093	\$1.321
<b>Old age pension</b> couple	\$1,630	\$1,792	\$1,792	\$2,186	\$2,186	\$2.642
<b>Social assistance</b> basic amount (resident member of household)	\$452	\$498	\$498	\$546	\$546	\$561
<b>Social assistance</b> single person (one-person household)	\$624	\$686	\$780	\$1,046	\$1,172	\$1.406
<b>Social assistance</b> couple (joint household)	\$786	\$864	\$1,061	\$1,434	\$1,434	\$1.654
<b>Surviving dependants' pension</b> widows/widowers	\$815	\$896	\$896	\$1,073	\$1,171	\$1.406
<b>Surviving dependants' pension</b> orphans	\$376	\$413	\$413	\$495	\$540	\$648
<b>Child benefit</b>	\$86	\$89	\$99	\$129	\$129	\$225

For further details, please refer to question 2 regarding the information on the Caribbean Netherlands.

- 6) *Please provide information as to whether social security benefits and assistance are indexed to the cost of living, as well as information in particular on how income-replacing benefits such as pensions are indexed. Please indicate when benefits and assistance were last adjusted/indexed.*

Benefits and old age pension are linked to the statutory minimum wage. Indexation occurs every six months, in line with the minimum wage on 1 January and 1 July, most recently on 1 July 2023. The percentages by which benefits and old age pension were increased are the same as those specified in response to question 1: the increase in line with regular indexation was 1.41% in January 2022, 1.81% in July 2022, 2.10% in January 2023 and 3.13% in July 2023. In January 2024 benefits and old age pension will be re-indexed, this time by 3.75%.

In addition, tax bracket thresholds, tax credits and, for example, supplementary child benefit will be indexed using the table correction factor.<sup>3</sup> Households will benefit in 2024 from this significant indexation of nearly 10%.

The extent to which supplementary pension can be indexed depends on the funding level (which indicates whether a fund has sufficient assets to meet its pension liabilities) of the pension fund with which the pension is placed. The mandatory funding level was reduced before the end of 2021, which made it possible for many pension funds to index supplementary pensions in 2023 for the first time in many years. In some cases, the level of indexation was significant. One of the largest funds, bpfBouw, increased pensions by 14.5%, for instance.

### Caribbean Netherlands

In the Caribbean Netherlands, the minimum wage, social assistance, old age pension and surviving dependants' benefit are indexed annually to the increase in the consumer price index from the third quarter of the previous year to the third quarter of the current year. Social assistance was last raised on 1 October 2023 in the Caribbean Netherlands. Child benefit is not linked to the policy-based increase in the minimum wage in the Caribbean part of the Netherlands. Increases depend on the circumstances. As from 1 January 2024, this benefit will be increased by \$90 to \$220 per child per month to address family poverty issues.

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<sup>3</sup> This is a factor by which certain amounts laid down in tax legislation must be recalculated in order to adjust for inflation.

7) *Please provide information as to whether any special measures have been adopted since late 2021 to ensure persons can meet their energy and food costs, such as price subsidies for energy, fuel, and basic food items.*

Recent government policy has been targeted at households that are struggling due to high energy prices and high inflation. The focus has been on vulnerable households with high energy consumption, as they often have poorly insulated homes. The temporary measures that the government took in late 2021 include reducing the energy tax, increasing the energy tax rebate and introducing an energy allowance. The government decided to increase the energy allowance for 2022 to €1,300 (for households earning up to 120% of the minimum income standard). Municipalities could grant an extra energy allowance of €500 in 2022 (as an advance on the 2023 allowance). In 2022 the government reduced VAT on energy (from 21% to 9%) and excise duty on diesel and petrol. It also focused on energy-saving measures to support households. At the end of 2022 all households received a supplementary payment of €190 in November and December, ahead of the introduction of an energy price cap.

A temporary package was also created in 2023 (in addition to the structural measures mentioned under question 5) to help mitigate the impact of high energy costs. Due to the unprecedented situation, many of the measures are only applicable in 2023:

- price cap for energy, giving households more certainty about their maximum energy bill;
- extension of the lower fuel excise duty introduced in 2022;
- households living on up to 120% of the minimum income standard will receive an energy allowance of €1,300 in 2023 (municipalities could, at their discretion, pay out €500 of this in 2022).

Regarding measures taken to ensure that people can meet their energy and food costs, a temporary package has been introduced:

- increased healthcare benefit;
- extra money for special assistance and to combat child poverty;
- higher basic grant for students living away from home.

Please see: [Package of measures to cushion the impact of rising energy prices and inflation | News item | Government.nl](#)

[Caribbean Netherlands](#)

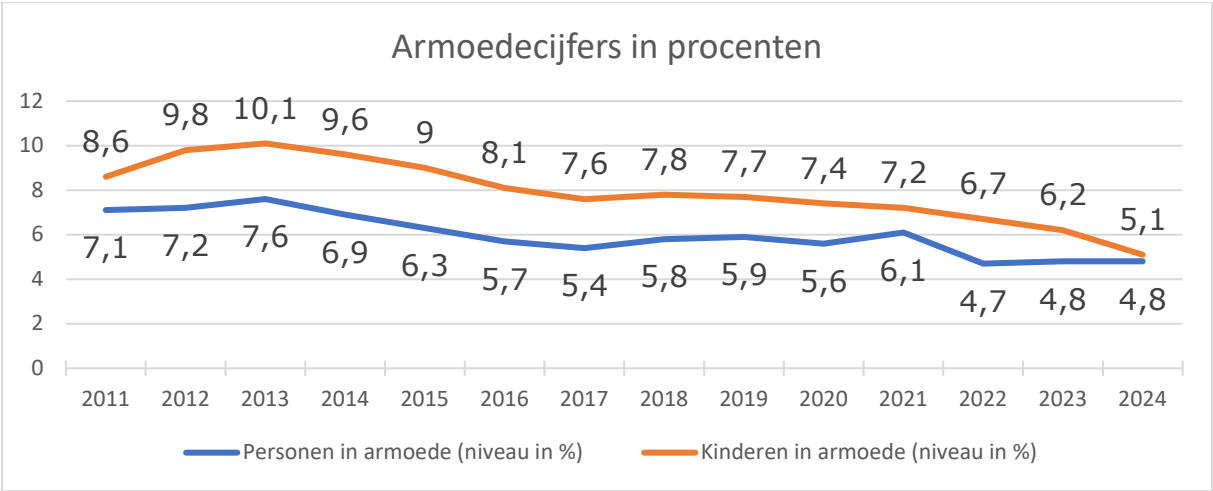
Please refer to questions 1, 5, 8-10 and 13.

8) Please provide up-to-date information on at-risk-of-poverty rates for the population as a whole, as well as for children, families identified as being at risk of poverty, persons with disabilities and older persons. Please show the trend over the last 5 years, as well as forecasts for upcoming years.

Population as a whole

Figure 1 reports the poverty figures as a percentage of the population, measured using the ‘not-much-but-sufficient’ criterion. The number of people living in poverty has fallen in the past few years, partly due to purchasing power measures. In 2024 the government will continue its efforts to halve child poverty (to 4.55%) by 2025 compared with 2015. Figure 1 shows the progress made (2023 and 2024 are estimated).

Figure 1: Percentage of the population as a whole and of children living in poverty, based on the not-much-but-sufficient criterion.



[all commas should be decimal points]

Percentage living in poverty

Population as a whole

Children

In March 2023 the Netherlands Bureau for Economic Policy Analysis (CPB) did a breakdown of the poverty figures by primary source of income according to the not-much-but-sufficient criterion, but there has been no more recent update (see Table 1).

Table 1: Breakdown by primary income source of the number of households below the poverty line according to the not-much-but-sufficient criterion. Source: CPB

	Working people	Benefit claimants	Pensioners
2021	185,000	245,000	75,000
2022	180,000	125,000	65,000
2023 (March = estimate)	180,000	145,000	75,000

### Children

Statistics Netherlands (CBS) also produces other breakdowns of poverty characteristics, using the low-income threshold.<sup>4</sup> According to the CBS, more than 1 in 15 children live in a family that is at risk of poverty. In 2020, 221,000 minors were growing up in low-income households, the lowest number in 25 years. This is equivalent to 6.9% of all children, an average of two per school class. The families of over 95,000 children (3.1%) had already had to manage on a low income for four years or more.

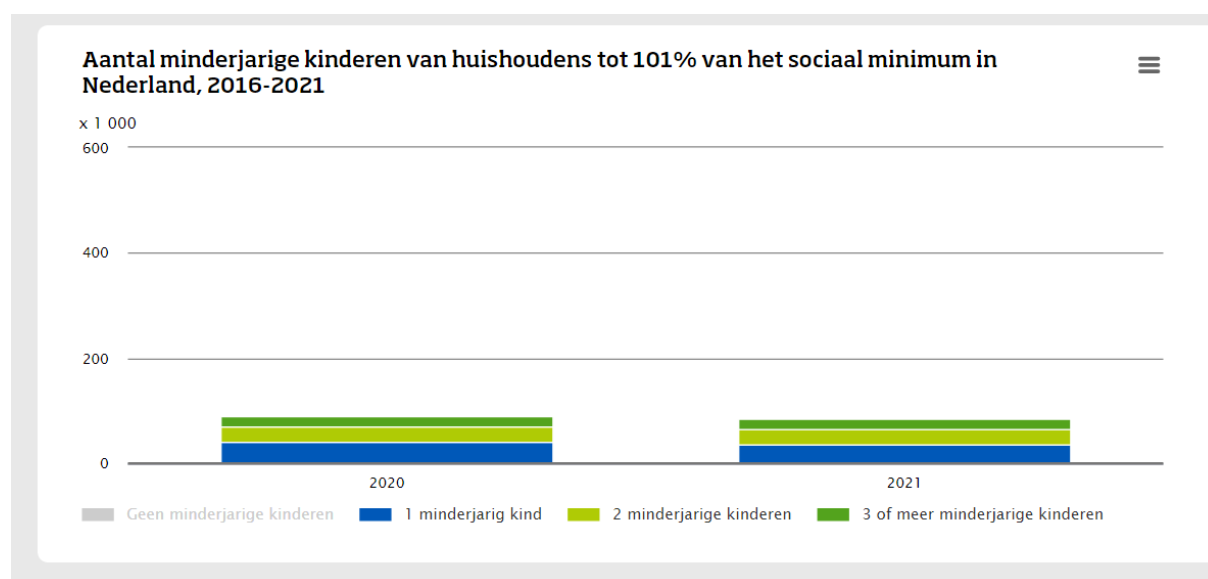
The percentage of children living in households that have had a low income for at least four years has been falling since 2016.

Nearly 86,000 children in single-parent families and more than 116,000 in two-parent families were at risk of poverty in 2020. This is equivalent to 20% and 5%, respectively. Single-parent families have only one breadwinner and are also more likely to be dependent on social assistance benefit.

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<sup>4</sup> [Low-income threshold \(cbs.nl\)](https://www.cbs.nl/en-gb/onderzoek-en-publicaties/2021/10/low-income-threshold)

Children from households with a migration background face a greater risk of poverty than children with no migration background. In particular, children from Syria, Eritrea and Somalia were at high risk of poverty (50% to over 60%). The majority of refugees from these countries who have a residence permit are dependent on social assistance benefit and usually live below the low-income threshold. Among children with a Western migration background, Bulgarian minors stand out, with nearly 20% of this group at risk of poverty in 2020.



### Number of minors in households with income up to 101% of the minimum income standard in the Netherlands, 2016-2021

x 1,000

No minors      1 minor                      2 minors              3 or more minors

### Families at risk of poverty

In 2020, according to the new provisional income statistics, 513,000 out of more than 7.5 million households (6.8%) were below the low-income threshold. This is an improvement on 2019, when 7.5% of households were in this situation. The percentage of households that in 2020 had already had a low income for at least four years in a row was 3.1%, compared with 3.4% in 2019 and roughly the same level in the two previous years.

The trend in the percentage of households at risk of poverty largely reflects the state of the economy: the percentage with an income below the low-income threshold rises during an economic downturn and falls in times of economic prosperity.

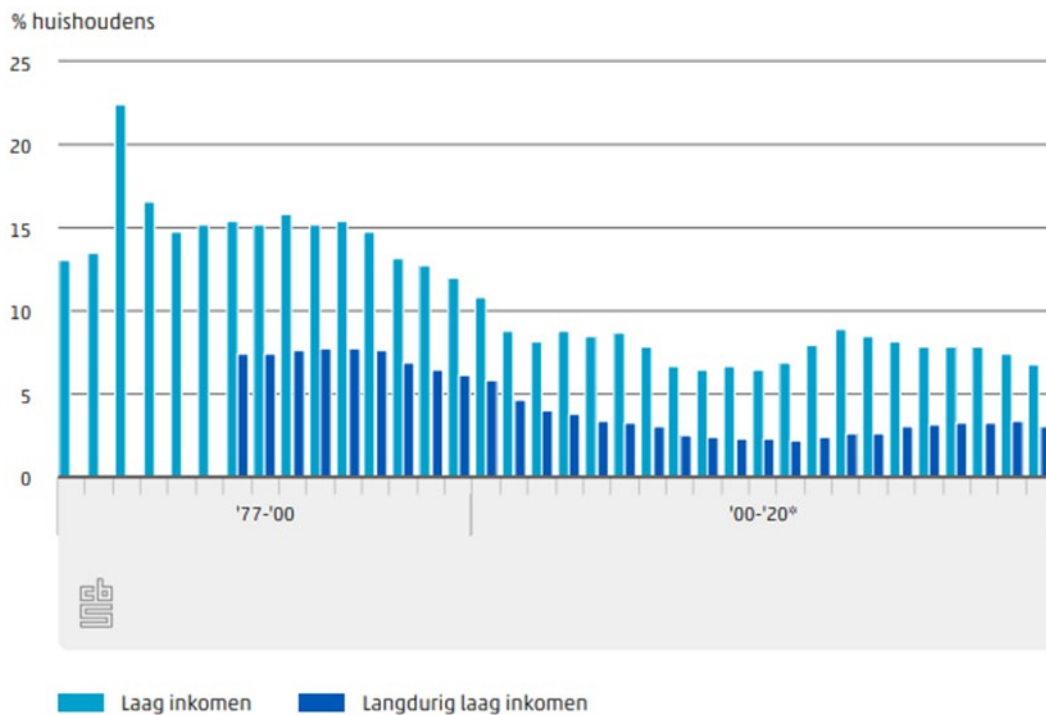
Despite the coronavirus pandemic and the economic slump, the downward trend in poverty risk that started in 2019 continued in 2020. This was caused by a relatively strong improvement in purchasing power attributable to existing wage rise provisions in collective labour agreements and to government policy, including tax measures and the large-scale package of temporary COVID-19 support measures.

Of the 513,000 low-income households in 2020, 221,000 had already had to manage on a low income for at least four consecutive years, which meant that the percentage of households with a long-term low income was 3.1%, which was down 0.2 to 0.3 percentage points on the three previous years. The period between 2011 and 2017 saw a continuous increase in this percentage. The long-term risk of poverty then stabilised, before decreasing in 2020. Groups that traditionally have a relatively high risk of poverty (whether short or long term) include single-parent families, single persons up to retirement age, households with a non-Western migration background, social assistance benefit recipients and the low-skilled.

A key reason for the initial increase in the long-term risk of poverty was an increase in the number of households with long-term dependence on social assistance benefit. Many households that had fallen into poverty in the previous economic crisis could not manage to get back on their feet, as is evident from the fact that 85% of the households with a long-term low income in 2017 were still at risk of poverty the following year. The picture was different two years later. Just under 78% of long-term low-income households in 2019 still had a low income a year later. Those who escaped their long-term risk situation also included more benefit recipients in 2020 than in 2018: 82% compared with 73%. The decrease in the long-term poverty risk in 2020 is due to the aforementioned improvement in purchasing power in that year. Another factor is that people who had been claiming benefit long term reached the state retirement age. If they had built up entitlement to a full state pension, this took them above the low-income threshold.



### 2.1.1 **Risico** op (langdurige) armoede



Risk of long-term poverty

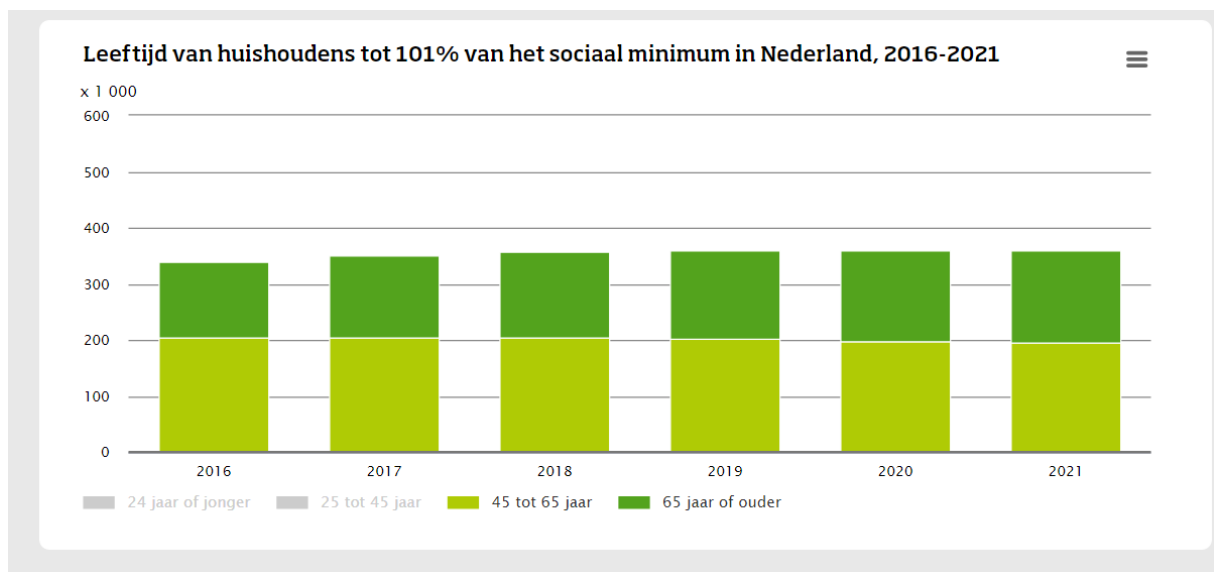
% households

Low income

Long-term low income

#### Older persons

After the previous economic crisis, the poverty risk continued to rise only in the group of households with a main breadwinner aged 55-65; most other age groups benefited from the economic recovery and saw their risk decrease. As a result of the crisis, some people in the 55-65 age bracket became dependent on benefits long term, often leading to a risk of possibly long-term poverty. The gradual raising of the retirement age also contributed to this group's increasing poverty risk, a trend that would not start reversing until 2018, partly due to the improved purchasing power of benefit recipients. The risk of long-term poverty among 55-65 year olds increased for a few years after the previous economic crisis but decreased in 2020 as a result of the decline in the risk of incidental poverty. And whereas the long-term risk for younger groups aged up to 55 years initially levelled off after the crisis, it similarly fell in 2020.



Age of households with income up to 101% of the minimum income standard in the Netherlands, 2016-2021

x 1,000

24 or younger

25-45

45-65

65 or older

Please see: [armoede-en-sociale-uitsluiting-2021.pdf](#)

[Armoedescan \(cbs.nl\)](#)

### Caribbean Netherlands

The current government's main goal for the Caribbean Netherlands is to improve the standard of living and reduce poverty. Clearly, poverty is still widespread there, though no recent statistics are available on the exact scale of the problem. Statistics Netherlands (CBS) is currently assessing the impact of adopted policy based on the ratio between disposable income and the minimum income standard (which the CBS refers to as the 'social minimum benchmark').<sup>5</sup> This benchmark, which was set in 2019 and rises in line with the consumer price index, is reference amount that an islander needs to make ends meet. In 2021, 28% of the population had an income below the benchmark. However, cost reductions were factored into the benchmark, which have not yet been fully implemented. The actual number of households living in poverty will therefore be higher. For figures, see the progress report (in Dutch) on a

<sup>5</sup> StatLine - Caribbean NL; income up to social minimum benchmark (cbs.nl)

minimum income standard in the Caribbean Netherlands 2023 (Parliamentary Papers, Senate 2022/2023, 36 200 IV, no. 90). There was a substantial increase in the minimum wage (of between 26% and 30%) and benefits (of between 20% and 53%) between 2021 and 2023, and poverty is expected to have fallen during this period, though no figures are as yet available. Another measuring instrument for monitoring the evolution of the standard of living is the Monitor of Wellbeing.<sup>6</sup> The Caribbean Netherlands' commission on the minimum income standard investigates the minimum amount that households on Bonaire, St Eustatius and Saba need to make ends meet and participate in society. It does this using the reference budgets of the National Institute for Family Finance Information (Nibud) and available statistics on income in the Caribbean Netherlands. The commission's report was published in October 2023 (in Dutch) and will be used to determine whether a new assessment method needs to be developed or applied.

*9) Please provide information on what measures are being taken to ensure a coordinated approach to combat poverty as required by Article 30 of the Charter, and to diminish reliance on last-resort relief, such as food banks and soup kitchens.*

The Minister for Poverty Policy, Participation and Pensions presented an action plan on financial problems, poverty and debt (*Aanpak geldzorgen, armoede en schulden*) in a letter to parliament on 12 July 2022. This multi-year plan aims to halve the number of children growing up in poverty by 2025, and halve poverty and problem debt in general by 2030. To achieve the objectives set, the government is seeking to:

- 1) better safeguard socioeconomic security: a sufficient, stable income is the basis;
- 2) prevent people getting into financial difficulties: provide clear information at all stages of life from a young age, available close to home, to enable people to make the right financial choices;
- 3) be a government that works for people and provides for simple, easily accessible, human-centred financial assistance and debt collection procedures;
- 4) take measures to break the vicious cycle of poverty, including generational poverty, so that everyone can participate in society and get ahead;

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<sup>6</sup> Monitor of Wellbeing & the SDGs in the Caribbean Netherlands 2022 (cbs.nl)

- 5) ensure that more people receive better debt counselling earlier and have the opportunity to enjoy a carefree financial future sooner.

The key measures taken under the action plan on financial difficulties, poverty and debt are listed below.

- The minimum wage and hence the minimum income standard have increased.
- The minimum income standard, including the level at which it is set and the way it is calculated, has been reviewed by an independent commission.
- Where people are not making use of financial support, steps are being taken to remedy this by interacting with them in the places they frequent or involving bodies with which they are already in contact, focusing particularly on working people on low incomes.
- Efforts are being made to provide better access to dental care and healthcare for children and for people on low incomes.
- The government is working to ensure that payment arrears are identified earlier and more effectively and that people are referred for appropriate help sooner.
- Extra money is being made available under the interministerial ‘Count on Skills’ programme (*Tel mee met Taal*) to improve the basic skills of young and old.
- One payment scheme will be set up for arrears with central government. This will be administered by the relevant implementing organisations, with the option of pausing debts.
- In consultation with municipal authorities, additional funding will be made available to improve debt counselling for self-employed people.
- Through the Restructuring Loan Guarantee Fund, municipal authorities can offer restructuring loans to, for example, young people and the self-employed.
- Together with municipal authorities, civil society organisations and volunteers, support will be provided for preventive approaches and experiments with innovative forms of financing.
- Steps are being taken to ensure that consumers are better protected when they take out a loan.

#### Caribbean Netherlands

The government also wants to improve the socioeconomic security of people living on Bonaire, St Eustatius and Saba. Its main goal for the Caribbean Netherlands is to improve the standard of living and reduce poverty, working in cooperation with the island authorities (the ‘public bodies’) and social partners. This is a wide-ranging task, particularly since too great a share of the income of inhabitants of the Caribbean Netherlands goes towards meeting living expenses. The challenge for all the members of government concerned will be to tackle these high costs, especially energy and food prices. The problem of rising prices is important for the Caribbean Netherlands because a relatively high proportion of households are on a low income. The urgency of the issue demanded additional measures in 2022. Accordingly, social assistance for people living alone or as part of a joint household was increased on 1 July 2022, as was child benefit. As in the Netherlands in Europe, low-income households in the Caribbean Netherlands received an allowance in 2022 to help them pay their energy costs. With the BES(t) 4 Kids programme, significant progress has already been made in improving the quality and accessibility of childcare, and lowering the parental contribution has made it more affordable. Finally, efforts are also being made in the Caribbean Netherlands to give children a more all-round educational experience to enable them to fully develop their talents, an initiative known as the ‘Rich School Day’.

*10) Please provide information on steps taken to consult with, and ensure the participation of, the persons most affected by the cost of living crisis and/or organisations representing their interests in the process of designing of measures in response to the crisis.*

Although the swift action demanded by the sudden price rises meant that it was impossible to fully coordinate measures, relevant stakeholders were consulted during the development stage. The government also held regular discussions with pressure groups, voluntary organisations and industry bodies to enable it to keep its finger on the pulse.

#### Caribbean Netherlands

Central government maintains close contact with the public bodies of Bonaire, St Eustatius and Saba, the National Office for the Caribbean Netherlands and consultative bodies such as the Central Dialogue to keep abreast of the current situation in the Caribbean Netherlands and the measures that need to be taken. Since the islands are relatively small, local stakeholders have a clear picture of what is happening on the ground. They are consulted and kept informed, with

cooperation being stepped up, where necessary. The energy allowance, for instance, is implemented by the public bodies.